RV BUSINESS

SEPTEMBER 1985

THE UPS, DOWNS & GO-AROUNDS OF THE VAN MARKET

Are Factory Stores Really Bad?

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A TL ENTERPRISES PUBLICATION SEPTEMBER 1985/VOL. 36, NO.6

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ON THE COVER

ON THE COVER: Historically, the van industry has had more than its share of ups, downs and go-arounds on its carousel ride through the marketplace. Our cover story (see page 34) details today's more composed van industry, and discusses the current and anticipated impact of the Big Three minivans (pages 38 and 44). Photo: Hal Hunt.

Perspective

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	JUNE '85	JUNE '84	% CHANGE	1985	1984	% CHANGE	JUNE '85	JUNE '84	% CHANGE	1985	1984	% CHANGE
MOTORHOMES	133	132	+ 1%	732	737	− 1%	89	109	−18%	540	605	−11%
TRAVEL TRAILERS	128	106	+21%	609	625	− 3%	97	108	−10%	487	571	−15%
TRUCK CAMPERS	19	21	−10%	108	111	− 3%	11	17	−35%	86	126	−32%
CAMPING TRAILERS	245	194	+26%	955	1096	−13%	53	50	+ 6%	216	181	+19%
FIFTH-WHEELS	35	39	−10%	177	225	−24%	12	11	+ 9%	58	56	+ 4%

	FOR MONTH			YEAR-TO-DATE		
	JUNE '85	JUNE '84	% CHANGE	1985	1984	% CHANGE
SALES VOLUME	$10,656,013	$10,508,453	+ 1%	$56,213,052	$56,773,179	− 1%
TOTAL UNIT SALES	822	787	+ 4%	3,968	4,333	− 8%
NEW UNIT SALES	560	492	+14%	2,581	2,794	− 8%
USED UNIT SALES	262	295	−11%	1,387	1,539	−10%

There was a definite upswing in RV retail sales in June. For the first time in several months, both new unit sales and total dollars taken in exceeded those recorded in June of the previous year. Several members of the Dealer Advisory Board (DAB) reported the best month for this year. Some of the larger dealers on the board led in increases.

Some damper was put on the good news by the fact that profits were reported down. One dealer reported one category as being excellent in profits for the month; most indicated that profits were fair or good.

Used units didn't fare so well for the month or for the year-to-date. As a rule, the demand for used units is exceptionally strong in June as first-time buyers prepare for summer vacations. No one has an explanation for the drop this year. Although some of the numbers are quite low, it is significant that all five RV categories are down in used sales for the year-to-date.

MOTORHOMES

By barely 1 percent, new motorhome sales for a month finally beat out the same month for the previous year. Year-to-date, the figures are about the same, also. It seems reasonably apparent that the dealers on the board have adjusted to the realities of the marketplace and are definitely holding their own at a time when that is not easy.

Large motorhome specialists and large multitype dealers generally had a good month. Smaller dealers tended to have a little more trouble.

After the enormous demand for used units during the past few years, it is very surprising to see that sales have fallen off. In some areas, surpluses are reported. Gross profits for both new and used were rated fair to good.

TRAVEL TRAILERS

For the second month in a row, this category has shown improvement over the previous year. After languishing considerably behind the previous year, sales are almost equal now.

As in the case of motorhomes, used sales are not so good. Many dealers are crying that their inventories are much too high. In some cases, they will gladly wholesale units.

Although overall sales were good for the month, not all dealers shared equally in the good times. In fact, some of the major trailer dealers on the board did very poorly; some have the key and some don't. Profits were rated fair to good.

TRUCK CAMPERS

Only two DAB dealers reported new camper sales for the month; one is a specialist in that type. With so few unit sales, the drop of two caused a 10 percent dip on our charts. It is definitely not a boom time for this RV type.

Undoubtedly, part of the camper sales problem has to do with price (as with all RV types). The introduction of models that retail for well over $10,000 could be discouraging to a farmer with a pickup who is looking for an inexpensive travel or camping rig.

CAMPING TRAILERS

After months of downturn, June "busted out all over" for the fold-downs. The healthy 26 percent increase narrowed the gap somewhat for the year-to-date figure, which had been noticeably wide compared to the previous June. Some DAB camping trailer specialists found the public's "hot button" during the month. The numbers aren't large, but even used units increased some from the previous year.

Profits were rated generally fair to good, but there were two poor marks—an indication, probably, that some dealers are willing to sacrifice profits in order to move units out.

FIFTH-WHEELS

New-unit sales are still down for both the month and the year-to-date. DAB dealers who have strong fiver departments are finding leaner pickings than they have found in the past three years.

Used units are still moving reasonably well and profits are not bad—generally rated fair to good. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 23 dealers representing a cross-section of the U.S. Dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, JUNE

Tne marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during June 1985 was 31,500 units, down 15.1% from June 1984.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in June 1985		June 1984	Percent Change	Cumulative 1985	Cumulative 1984	Percent Change
TRAVEL TRAILERS	5,600	6,400	– 12.5%	36,900	44,800	– 17.6%
FIFTH-WHEELS	1,900	1,700	+ 11.8%	11,100	11,000	+ 0.9%
TRUCK CAMPERS	700	900	– 22.2%	4,100	4,800	– 14.6%
MULTI-USE VEHICLES	15,300	17,900	– 14.5%	88,500	93,000	– 4.8%
TYPE A: MOTOR-HOMES	2,300	3,000	– 23.3%	19,000	22,700	– 16.3%
TYPE B: VAN CAMPERS	800	900	– 11.1%	3,900	4,400	– 11.4%
TYPE C: MINI MOTOR-HOMES	2,200	2,600	– 15.4%	17,000	20,400	– 16.7%
FOLDING CAMPING TRAILERS	2,700	3,700	– 27.0%	20,600	23,100	– 10.8%
TOTALS	31,500	37,100	– 15.1%	201,100	224,200	– 10.3%